



February 3, 2004

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Re: *Ex Parte* Notice

In the Matter of Federal State Joint Board on Universal Service, CC Docket No. 96-45

In the Matter of the Multi-Association Group (MAG) Plan for the Regulation of Interstate services on Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket 00-256

Dear Ms. Dortch:

On Monday, February 2, 2004, Scott Reiter and Dan Mitchell with the National Telecommunications Cooperative Association (NTCA) met with Sharon Webber, Gary Seigel, Eric Einhorn, and Andy Firth of the Commission's Telecommunications Access Policy Division.

In the meeting we discussed NTCA's petition for reconsideration and clarification concerning the Commission's safety valve rule which currently prohibits carriers from receiving additional universal service support for investments made to upgrade acquired exchanges during the first year after acquisition. NTCA's positions discussed in the meeting were consistent with its prior pleading in the above-referenced dockets. NTCA believes the current rule creates a considerable disincentive for rural carriers to invest in acquired exchanges during the first year of operations.

Ms. Marlene H. Dortch, Secretary
February 3, 2004
Page Two

In accordance with the Commission's rules, an original and two copies of this letter are being filed with the Secretary's Office. If you have any questions, please do not hesitate to contact Dan Mitchell at 703-351-2016.

Sincerely,

/s/ Daniel Mitchell
Daniel Mitchell
Senior Regulatory Counsel
Legal and Industry

cc: Sharon Webber
Gary Seigel
Eric Einhorn
Andy Firth